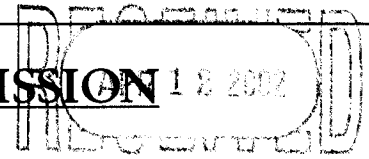


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ARIZONA CORPORATION
COMMISSION



Director of Utilities

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

5

SW-02390A
SOUTHLAND SANITATION, CO.
2730 E. BROADWAY, SUITE 135
TUCSON AZ 85716-0000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
----	----	------

FOR COMMISSION USE

ANN05	01
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1

PROCESSED BY:

4-15-02 *cm*

SCANNED

15 APR 2002

COMPANY INFORMATION

Company Name (Business Name) Southland Sanitation Co.

Mailing Address 2730 E. Broadway, Suite 135
(Street)

Tucson

(City)

Arizona

(State)

85716

(Zip)

520-327-6000

Telephone No. (Include Area Code)

520-327-6184

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address N/A

Local Office Mailing Address 4148 Golden Acres Drive
(Street)

Sierra Vista

(City)

Arizona

(State)

85650

(Zip)

520-378-6200

Local Office Telephone No. (Include Area Code)

520-378-2085

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address N/A

MANAGEMENT INFORMATION

Management Contact: Sidney Mendelsohn, Jr., Secretary

(Name)

(Title)

2730 E. Broadway #100

(Street)

Tucson

(City)

Arizona

(State)

85716

(Zip)

520-325-7500

Telephone No. (Include Area Code)

520-323-6614

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address N/A

On Site Manager: F.G. Heeren

(Name)

4148 Golden Acres Dr.

(Street)

Sierra Vista

(City)

Arizona

(State)

85650

(Zip)

520-378-6200

Telephone No. (Include Area Code)

520-378-2085

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address N/A

See Accountants' Compilation Report.

Statutory Agent: Sidney Mendelsohn, Jr.

(Name)

2730 E. Broadway, #100

(Street)

Tucson

(City)

Arizona

(State)

85716

(Zip)

520-325-7500

Telephone No. (Include Area Code)

520-323-6614

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Attorney: John O'Hare

(Name)

3865 N. Tucson Blvd.

(Street)

Tucson

(City)

Arizona

(State)

85716

(Zip)

520-881-2308

Telephone No. (Include Area Code)

N/A

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☒ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

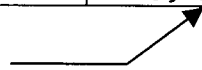
Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization	N/A	N/A	N/A
352	Franchises	N/A	N/A	N/A
353	Land and Land Rights	25,305	N/A	25,305
354	Structures and Improvements	52,037	25,887	26,150
355	Power Generation Equipment	N/A	N/A	N/A
360	Collection Sewers – Force	N/A	N/A	N/A
361	Collection Sewers – Gravity	105,453	105,449	4
362	Special Collecting Structures	N/A	N/A	N/A
363	Services to Customers	18,316	18,313	3
364	Flow Measuring Devices	N/A	N/A	N/A
365	Flow Measuring Installations	N/A	N/A	N/A
370	Receiving Wells	N/A	N/A	N/A
380	Treatment and Disposal Equip.	19,003	3,028	15,975
381	Plant Sewers	N/A	N/A	N/A
382	Outfall Sewer Lines	N/A	N/A	N/A
389	Other Plant and Misc. Equipment	N/A	N/A	N/A
390	Office Furniture and Equipment	N/A	N/A	N/A
391	Transportation Equipment	N/A	N/A	N/A
393	Tools, Shop and Garage Equip.	N/A	N/A	N/A
394	Laboratory Equipment	N/A	N/A	N/A
395	Power Operated Equipment	N/A	N/A	N/A
398	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	220,114	152,677	67,437

This amount goes on the Balance Sheet Acct. No. 108 

COMPANY NAME**Southland Sanitation Co.****CALCULATION OF DEPRECIATION EXPENSE**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization	N/A	N/A	N/A
352	Franchises	N/A	N/A	N/A
353	Land and Land Rights	25,305	N/A	N/A
354	Structures and Improvements	52,037	5.0%	220
355	Power Generation Equipment	N/A	N/A	N/A
360	Collection Sewers – Force	N/A	N/A	N/A
361	Collection Sewers – Gravity	105,453	5.0%	2,102
362	Special Collecting Structures	N/A	N/A	N/A
363	Services to Customers	18,316	5.0%	364
364	Flow Measuring Devices	N/A	N/A	N/A
365	Flow Measuring Installations	N/A	N/A	N/A
370	Receiving Wells	N/A	N/A	N/A
380	Treatment and Disposal Equip.	19,003	5.0%	950
381	Plant Sewers	N/A	N/A	N/A
382	Outfall Sewer Lines	N/A	N/A	N/A
389	Other Plant and Misc. Equipment	N/A	N/A	N/A
390	Office Furniture and Equipment	N/A	N/A	N/A
391	Transportation Equipment	N/A	N/A	N/A
393	Tools, Shop and Garage Equip.	N/A	N/A	N/A
394	Laboratory Equipment	N/A	N/A	N/A
395	Power Operated Equipment	N/A	N/A	N/A
398	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	220,114		3,636

This amount goes on Comparative Statement of Income and Expense Acct. 403



See Accountants' Compilation Report.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 16,423	\$ 14,997
132	Special Deposits	N/A	N/A
135	Temporary Cash Investments	21,337	4,148
141	Customer Accounts Receivable	5,331	6,063
146	Notes/Receivables from Associated Companies	N/A	N/A
151	Plant Material and Supplies	N/A	N/A
162	Prepayments	45	593
174	Miscellaneous Current and Accrued Assets	354	504
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 43,490	\$ 26,305
	FIXED ASSETS		
101	Utility Plant in Service	\$ 193,744	\$ 220,114
103	Property Held for Future Use	N/A	N/A
105	Construction Work in Progress	N/A	N/A
108	Accumulated Depreciation – Utility Plant	(149,041)	(152,677)
121	Non-Utility Property	N/A	N/A
122	Accumulated Depreciation – Non Utility	N/A	N/A
	TOTAL FIXED ASSETS	\$ 44,703	\$ 67,437
	TOTAL ASSETS	\$ 88,193	\$ 93,742

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

See Accountants' Compilation Report.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 12	\$ 380
232	Notes Payable (Current Portion)	12,500	12,500
234	Notes/Accounts Payable to Associated Companies	16,353	17,853
235	Customer Deposits	925	533
236	Accrued Taxes	2,459	1,631
237	Accrued Interest	2,360	3,360
241	Miscellaneous Current and Accrued Liabilities	25	
	TOTAL CURRENT LIABILITIES	\$ 34,634	\$ 36,257
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ N/A	\$ N/A
	DEFERRED CREDITS		
252	Advances in Aid of Construction	\$ N/A	\$ N/A
253	Other Deferred Credits	N/A	N/A
255	Accumulated Deferred Investment Tax Credits	284	257
271	Contributions in Aid of Construction	N/A	N/A
272	Less: Amortization of Contributions	N/A	N/A
281	Accumulated Deferred Income Tax	859	711
	TOTAL DEFERRED CREDITS	\$ 1,143	\$ 968
	TOTAL LIABILITIES	\$ 35,777	\$ 37,225
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 10,000	\$ 10,000
211	Other Paid in Capital	115,428	115,428
215	Retained Earnings	(73,012)	(68,911)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 52,416	\$ 56,517
	TOTAL LIABILITIES AND CAPITAL	\$ 88,193	\$ 93,742

See Accountants' Computation Report.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

	OPERATING REVENUES	PRIOR YEAR	TEST YEAR
521	Flat Rate Revenues	\$ 59,824	\$ 61,156
522	Measured Revenues	N/A	N/A
536	Other Wastewater Revenues	836	366
	TOTAL REVENUES	\$ 60,660	\$ 61,522
	OPERATING EXPENSES		
701	Salaries and Wages	\$ N/A	\$ N/A
710	Purchased Wastewater Treatment	N/A	N/A
711	Sludge Removal Expense	N/A	N/A
715	Purchased Power	4,760	6,093
716	Fuel for Power Production	N/A	N/A
718	Chemicals	N/A	N/A
720	Materials and Supplies	N/A	N/A
731	Contractual Services – Professional	14,415	18,685
735	Contractual Services – Testing	2,919	685
736	Contractual Services – Other	12,390	18,868
740	Rents	1,500	1,500
750	Transportation Expense	N/A	N/A
755	Insurance Expense	819	748
765	Regulatory Commission Expense	N/A	N/A
775	Miscellaneous Expense	1,376	1,386
403	Depreciation Expense	7,139	3,636
408	Taxes Other Than Income	45	45
408.11	Property Taxes	650	3,262
409	Income Taxes	3,573	1,809
	TOTAL OPERATING EXPENSES	\$ 49,586	\$ 56,717
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 164	\$ 312
421	Non-Utility Income	44	27
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(1,046)	(1,043)
	TOTAL OTHER INCOME/EXP	\$ (838)	\$ (704)
	NET INCOME/(LOSS)	\$ 10,236	\$ 4,101

See Accountants' Compilation Report

COMPANY NAME	Southland Sanitation Co.
---------------------	---------------------------------

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1998	N/A	N/A	N/A
Source of Loan	Shareholders			
ACC Decision No.	N/A			
Reason for Loan	Working Capital			
Dollar Amount Issued	\$ 12,500	\$	\$	\$
Amount Outstanding	\$ 12,500	\$	\$	\$
Date of Maturity	Demand			
Interest Rate	8 %	%	%	%
Current Year Interest	\$ 1,000	\$	\$	\$
Current Year Principle	\$ -0-	\$	\$	\$

See Accountants' Compilation Report

COMPANY NAME	Southland Sanitation Co.
---------------------	---------------------------------

WASTEWATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Extended aeration with evaporation ponds (2)
DESIGN CAPACITY OF PLANT (Gallons Per Day)	3,000,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
N/A				

FORCE MAINS

Size	Material	Length (Feet)
4-inch	N/A	N/A
6-inch	N/A	N/A

MANHOLES

Type	Quantity
Standard	N/A
Drop	61

CLEANOUTS

Quantity
N/A

WASTEWATER COMPANY PLANT DESCRIPTION CONTINUED

COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
4		N/A
6		N/A
8	Clay Pipe	15,555
10		N/A
12		N/A
15		N/A
18		N/A
21		N/A
24		N/A
30		N/A
		N/A

SERVICES

Size (in inches)	Material	Quantity
4	Clay Pipe	297
6		N/A
8		N/A
12		N/A
15		N/A

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY

SOLIDS PROCESSING AND HANDLING FACILITIES	None
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	None
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	None
STRUCTURES (Buildings, Fences, Etc.)	Fences and Evaporative Ponds
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	None

COMPANY NAME	Southland Sanitation Co.
---------------------	---------------------------------

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
This information is not	available		

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method Of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Evaporative Ponds
Wastewater Inventory Number (all wastewater systems are assigned an inventory number)	N/A
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit Number	N/A
ADEQ Reuse Permit Number	N/A
EPA NPDES Permit Number	N/A

See Accountants' Compilation Report

STATISTICAL INFORMATION

Total number of customers 282

Total number of gallons treated 20,780,860 gallons

See Accountants' Compilation Report

COMPANY NAME Southland Sanitation Co.

YEAR ENDING 12/31/2001

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>9,095</u>
Estimated or Actual Federal Tax Liability	<u>1,364</u>
State Taxable Income Reported	<u>9,776</u>
Estimated or Actual State Tax Liability	<u>681</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>- 0 -</u>
Amount of Gross-Up Tax Collected	<u>- 0 -</u>
Total Grossed-Up Contributions/Advances	<u>- 0 -</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Andrew L. Romo

SIGNATURE

4.10.02

DATE

Andrew L. Romo

PRINTED NAME

President

TITLE

COMPANY NAME Southland Sanitation Co.

YEAR ENDING 12/31/2001

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2001 was: \$ 1,955.89

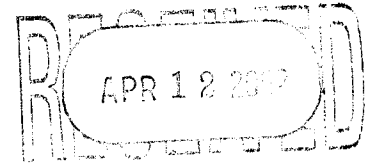
Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. N/A

See Accountants' Compilation Report

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima
NAME (OWNER OR OFFICIAL) TITLE Andrew L. Romo - President
COMPANY NAME Southland Sanitation Co.

Director of Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 61,522

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ None
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Andrew L. Romo
SIGNATURE OF OWNER OR OFFICIAL
(520) 327-6000
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

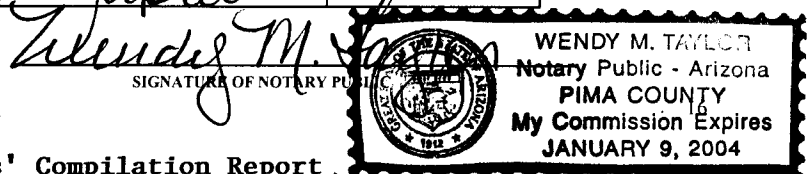
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 11th DAY OF

COUNTY NAME	<u>Pima</u>
MONTH	<u>April</u> 20 <u>02</u>

(SEAL)

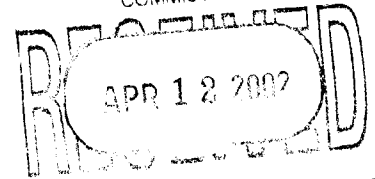
MY COMMISSION EXPIRES 1-9-04



See Accountants' Compilation Report

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Andrew L. Romo	TITLE President
COMPANY NAME Southland Sanitation Co.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ **61,156**

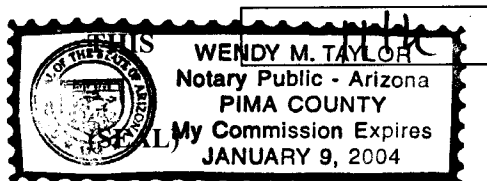
(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ **None**
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X **Andrew L. Romo**
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



MY COMMISSION EXPIRES **1-9-04**

DAY OF

NOTARY PUBLIC NAME Wendy Taylor	
COUNTY NAME Pima	
MONTH April	20 02

X **Wendy M. Taylor**
SIGNATURE OF NOTARY PUBLIC

CASHIER
AME

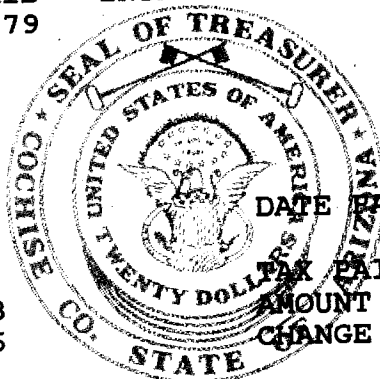
COCHISE COUNTY
RECEIPT OF TAXES PAID

11:13:43

PARCEL NUMBER	YR	POR	TAX PAID	INTEREST	FEES	PENALTIES	TOTAL PAID
983-56-870-00-1	00	1	324.79				324.79

RECEIVED FROM

SOUTHLAND SANITATION CO
2730 E BROADWAY BLVD STE 13
TUCSON AZ 85716



DATE PAID

10/25/00

TAX PAID

324.79

AMOUNT TENDERED

324.79

CHANGE DUE

.00

THANK YOU
MARSHA BONHAM
COCHISE COUNTY TREASURER
BISBEE, ARIZONA 85603

CHECK # 3842

RECEIPT

01983-56-87075

3966

SOUTHLAND SANITATION, INC.
520-378-8200
4148 GOLDEN ACRES DR.
SIERRA VISTA, AZ 85635

Date October 23, 2001



Pay to the Order of

Marsha Bonham Cochise County Treasurer

\$ 1,631.10***

Dollars

ARIZONA BANK
TUCSON, AZ 85704

For 983-56-8707

⑈003966⑈ ⑆122101010⑆

650⑈0188⑈1⑈

⑈0000163110⑈

Michael L. Bonham

DO NOT SIGN / WRITE / STAMP BELOW THIS LINE
FOR FINANCIAL INSTITUTION USE ONLY

8191 10173

⑈122100024⑈
FEDERAL RESERVE
AT 000000
⑈122100024⑈

OCT 25 01

01 01 25

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ARIZONA BANK
TUCSON, ARIZONA

FEDERAL RESERVE BANK REGISTRATION

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Signature Line and Security Screen.
Absence of these features may indicate alteration.

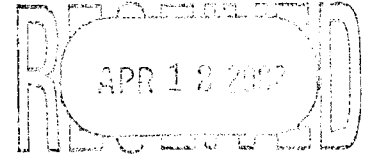




REIDY/LENZINI P.C.

DENNIS J. REIDY, CPA

ALICE ANN LENZINI, CPA
ARIZONA CORPORATION
COMMISSION



March 26, 2002

Director of Utilities

ACCOUNTING

TAXATION
PLANNING
COMPLIANCE

BUSINESS
VALUATION

LITIGATION SERVICES

◆
**Compliance Section
Utilities Division
Arizona Corporation Commission
1200 West Washington St.
Phoenix, AZ 85007**

◆
RE: Southland Sanitation Co. Sewer Utility Annual Report

Dear Sir/Madam:

◆
Please find enclosed the Sewer Utility Annual Report and the accountants' compilation report for the above captioned corporation for the calendar year 2001.

Regards,

Reidy/Lenzini P.C.

Dennis J. Reidy, CPA

DJR/ncp

Enclosure



REIDY/LENZINI P.C.

DENNIS J. REIDY, CPA

ALICE ANN LENZINI, CPA

Southland Sanitation Co.
2730 East Broadway, #135
Tucson, Arizona 85716

ACCOUNTING



TAXATION
PLANNING
COMPLIANCE



BUSINESS
VALUATION



LITIGATION SERVICES

We have compiled the annual report of sewer utilities for the year ended December 31, 2001 for Southland Sanitation Co. included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the State of Arizona, Department of Revenue, Property Tax Division, Centrally Valued Property Unit, information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

The financial and statistical information, including other disclosures, are presented in accordance with the requirements of the State of Arizona, Department of Revenue, Property Tax Division, Centrally Valued Property Tax Unit, which differ from generally accepted accounting principles. Accordingly, the financial statements are not designed for those who are not informed about such differences.

Reidy/Lenzini P.C.

March 26, 2002